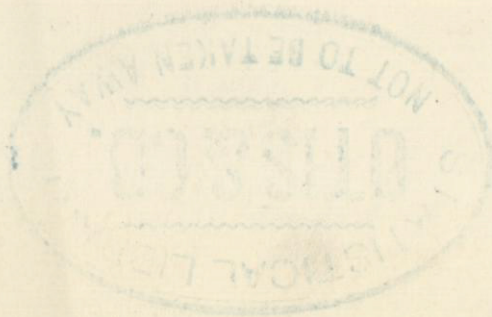


# HART SCHAFFNER & MARX



JAN 27 1927

## *Sixteenth Annual Report* *November 30, 1926*







HART SCHAFFNER & MARX  
CHICAGO NEW YORK

New York, January 24, 1927

To the Stockholders

The Board of Directors herewith submit to you the financial statement of the company for the fiscal year ending November 27, 1926, together with the report of Messrs. Price, Waterhouse and Company

The Company has had a satisfactory year. Despite reductions in prices, to make values more attractive, profits are slightly more than a year ago, and the outlook for 1927 is favorable, orders now on the books for future delivery being larger than a year ago

Lower inventories than a year ago coupled with satisfactory collections account for the unusual amount of cash on hand

The sum of \$411,000 has been deducted from both the equipment and depreciation reserve accounts so that the figures will show only actual equipment in service; this is a bookkeeping adjustment. Depreciation was charged off as usual. New equipment of the value of \$20,000 was added during the year

Respectfully submitted

HARRY HART, President

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# BALANCE SHEET—

## Assets

### Current Assets

|   |                  |                 |
|---|------------------|-----------------|
| Cash and U. S. Treasury Certificates  | \$4,813,129.67   |                 |
| Accounts, and bills receivable,<br>less reserves  | 5,672,427.72     |                 |
| Inventories of materials and finished<br>and partly finished merchandise<br>on hand and in transit, at cost or<br>market, whichever is lower, less<br>reserve | 3,711,732.47     |                 |
| Sundry accounts   | 61,804.51        |                 |
| Prepaid insurance, taxes, etc.  | <u>79,009.34</u> | \$14,338,103.71 |

|                           |  |                |
|---------------------------|--|----------------|
| Investments, less reserve |  | \$1,220,000.00 |
|---------------------------|--|----------------|

|   |  |            |
|---|--|------------|
| Amounts due from employees for purchase of Company's capital stock including stock held for sale to employees |  | 473,530.39 |
|---|--|------------|

|  |                   |            |
|--|-------------------|------------|
| Shop Equipment and Fixtures,<br>including Office Furniture | \$975,319.72      |            |
| Less—Depreciation Reserve                                  | <u>507,878.91</u> | 467,440.81 |

|   |                     |                        |
|---|---------------------|------------------------|
| Good Will, Trade Names and<br>Trade Marks | \$15,000,000.00     |                        |
| Less—Amount written off in 1920           | <u>5,000,000.00</u> | 10,000,000.00          |
|   |                     | <u>\$26,499,074.91</u> |



NOVEMBER 27, 1926

*Liabilities*

*Current Liabilities*

|   |                   |                |
|---|-------------------|----------------|
| Trade accounts payable                  | \$218,850.23      |                |
| Liability for goods in transit          | 243,773.79        |                |
| Accrued pay rolls, etc.                 | 283,564.74        |                |
| Federal and other taxes payable in 1927 | <u>378,107.03</u> | \$1,124,295.79 |

*Capital Stock*

Common Stock—

|                                 |               |
|---------------------------------|---------------|
| Authorized and issued           |               |
| 150,000 shares of \$100.00 each | 15,000,000.00 |

|                           |              |
|---------------------------|--------------|
| Reserve for contingencies | 1,750,000.00 |
|---------------------------|--------------|

|                                     |                        |
|-------------------------------------|------------------------|
| Surplus, per accompanying statement | <u>8,624,779.12</u>    |
|                                     | <u>\$26,499,074.91</u> |

# SURPLUS AND INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING NOVEMBER 27, 1926

## *Net Profits for Year*

After deducting manufacturing, marketing  
and administrative expenses, provisions  
for depreciation of equipment, doubtful  
accounts and federal taxes

\$1,874,191.51

Add—

Surplus at Dec. 1, 1925

7,950,587.61

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\$9,824,779.12

*Deduct—*

Dividends paid

1,200,000.00

## *Unappropriated Surplus*

At November 27, 1926

\$8,624,779.12



## *Certificate of Accountants*

To the Stockholders of  
Hart Schaffner & Marx

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal year ending November 27, 1926, and certify that the foregoing Balance Sheet and Surplus and Income Account are correctly drawn up therefrom

The merchandise and materials on hand and in transit, as shown by inventories certified by the responsible officials, are stated in the balance sheet at cost or market, whichever is lower, less reserve. Liberal provisions have been made for bad and doubtful accounts receivable, discounts and for all ascertained liabilities. The securities owned and cash and bank balances have been verified by actual count or by certificates from depositaries

WE CERTIFY that the Balance Sheet and relative Surplus and Income Account are properly drawn up and, in our opinion, fairly set forth the financial position of the Company on November 27, 1926.

PRICE, WATERHOUSE & CO.

Chicago, January 13, 1927

